## DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT Division of Housing Policy Development

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December 10, 2004

Mr. Rich Guillen
City Administrator
City of Carmel-by-the Sea
P.O. Box Drawer G
Carmel-by-the Sea, CA 93931

Dear Mr. Guillen:

## RE: Review of the City of Carmel-by-the-Sea's Adopted Housing Element

Thank you for submitting revisions to Carmel-by-the-Sea's housing element, adopted by the City on August 5, 2003 and received for review on October 5, 2004. As you know, the Department is required to review adopted housing elements and report the findings to the locality pursuant to Government Code Section 65585(h). The review was facilitated by a telephone conversation with Mr. Brian Roseth, the City's Principal Planner, on December 10, 2004.

The adopted revisions adequately address the statutory requirements described in the Department's March 25, 2003 review. The element now includes a complete analysis of the progress Carmel-by-the-Sea has made in meeting coastal zone requirements. As a result the Department is pleased to find the City's element in full compliance with State housing element law (Article 10.6 of the Government Code). The Department commends the City for its efforts to identify sites for residential mixed-use development in commercial and R-4 zoning districts. The element demonstrates the City's commitment to develop meaningful housing programs and address its full range of housing needs.

For your information, recently enacted legislation (Chapter 706, Statutes 2002, Government Code Section 65863) requires the City to ensure its inventory of adequate sites can accommodate its share of the regional housing need throughout the planning period. Further, Government Code Section 65863(b) prohibits local governments from lowering a residential density below that utilized by the Department in determining compliance with housing element law unless the locality makes certain findings.

In addition, because the City's adopted housing element is in compliance, Carmel-by-the-Sea has met one of the threshold requirements for an innovative new program that rewards local governments for approving affordable workforce housing. The Workforce Housing Program, funded by Proposition 46, provides grant funds to eligible local governments for every qualifying unit permitted, beginning calendar year 2004. Grant awards can be used to fund any capital asset project, such as transportation or park improvements. More specific information about the program is available on the Department's website at <a href="http://www.hcd.ca.gov/ca/whrp/">http://www.hcd.ca.gov/ca/whrp/</a>.

The Department wishes Carmel-by-the-Sea success in implementing its housing element and looks forward to following the City's progress in meeting its goals through the annual general plan progress report required pursuant to Government Code Section 65400. The Department greatly appreciates the assistance provided by Mr. Roseth. If you have any questions or would like our assistance, please contact Michelle Woods, of our staff, at (916) 327-8881.

In accordance with requests pursuant to the Public Records Act, we are forwarding copies of this letter to the persons and organizations listed below.

Sincerely,

Cathy E. Creswell
Deputy Director

cc: Brian Roseth, Principal Planner, City of Carmel-by-the-Sea Mark Stivers, Senate Committee on Housing & Community Development Suzanne Ambrose, Supervising Deputy Attorney General, AG's Office Terry Roberts, Governor's Office of Planning and Research Nick Cammarota, California Building Industry Association Marcia Salkin, California Association of Realtors Marc Brown, California Rural Legal Assistance Foundation Rob Weiner, California Coalition for Rural Housing John Douglas, AICP, Civic Solutions Deanna Kitamura, Western Center on Law and Poverty S. Lynn Martinez, Western Center on Law and Poverty Alexander Abbe, Law Firm of Richards, Watson & Gershon Michael G. Colantuono, Colantuono, Levin & Rozell, APC Ilene J. Jacobs, California Rural Legal Assistance, Inc. Richard Marcantonio, Public Advocates